

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

CITATION OIL & GAS CORP.	§	
	§	
v.	§	C.A. No. _____
	§	
UNITED STATES DEPARTMENT OF THE INTERIOR	§	
	§	

**COMPLAINT FOR JUDICIAL REVIEW
OF AUGUST 16, 2010 ORDER OF THE
UNITED STATES DEPARTMENT OF THE INTERIOR**

1. Plaintiff Citation Oil & Gas Corp. (“Citation”) brings this action against Defendant United States Department of the Interior (“DOI”) seeking judicial review of an August 16, 2010 Order demanding that Citation pay additional royalties for crude oil that Citation produced from federal oil and gas leases located in the State of North Dakota. For the reasons given below, DOI’s August 16, 2010 Order is unlawful and should be vacated.

I.

PARTIES

2. Citation is a corporation organized under the laws of the State of Delaware with its principal office and place of business at 14077 Cutten Road, Houston, Harris County, Texas 77069-2212. Citation owns an interest in various oil and gas leases covering federal lands in the State of North Dakota. Those leases were issued by DOI under authority granted by the Mineral Leasing Act of 1920, 30 U.S.C. §181 *et seq.*

3. DOI is an executive agency of the United States of America. Among its duties, DOI issues oil and gas lease under the MLA. DOI is also responsible for collecting the royalty payments due on crude oil and natural gas produced from those leases.

II.

JURISDICTION AND VENUE

4. This court has jurisdiction over this matter based upon 28 U.S.C. §1331; 30 U.S.C. §1701 *et seq.*; 30 U.S.C. §1724(j); and 5 U.S.C. §702.

5. Venue is proper in this district.

III.

REQUEST FOR JUDICIAL REVIEW

6. The DOI issued an Order dated August 16, 2010 to Citation. In that Order, DOI demands that Citation pay additional royalties to the agency for crude oil that was produced during the period from 1996 through 1999 from federal leases in North Dakota. A true copy of that Order is attached to this Complaint as Exhibit A.

7. DOI's August 16, 2010 Order is a final, nonappealable order. Citation has exhausted its administrative remedies.

8. DOI's August 16, 2010 Order is arbitrary and capricious, is not based on substantial evidence, lacks a rational basis, and is otherwise unlawful. For each of these independent reasons, this Court should vacate DOI's August 16, 2010 Order and, in addition, grant Citation all other relief to which it is entitled.

Respectfully submitted,

AKIN GUMP STRAUSS HAUER & FELD LLP

By: /s/ Michael K. Swan

Michael K. Swan, *attorney-in-charge*

State Bar No. 19549000

Federal Bar No. 2946

J. Josh Clayton

State Bar No. 24050426

Federal Bar No. 719651

1111 Louisiana, 44th Floor

Houston, Texas 77002

Telephone: 713.220.5800

Facsimile: 713.236.0822

Email: mswan@akingump.com

jclayton@akingump.com

Jerry E. Rothrock, *of counsel*

MOYERS, MARTIN, SANTEE & IMEL, LLP

D.C. Bar No. 204917

401 South Boston Avenue

Tulsa, Oklahoma 74103

Telephone: (918) 582-5281

Facsimile: (918) 585-8318

Email: rothrock@moyersmartin.com

**ATTORNEYS FOR CITATION OIL
& GAS CORP.**

Dated: February 8, 2010.